

## Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

JUSE-00 OMB-01 EB-07 COME-00 TRSE-00 SEC-01 /065 W

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R 160751Z SEP 76

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 2269

INFO COMUSJAPAN YOKOTA AB JA

CINCPAC HONOLULU HI

C O N F I D E N T I A L TOKYO 13885

E.O. 11652: GDS

TAGS: MARR, JA

SUBJECT: ALLEGATIONS OF GRUMMAN PAYOFFS TO NIXON FOR PROMOTING  
E2C SALES HERE

SUMMARY: JAPANESE MEDIA GAVE PROMINENT SPACE TO AP REPORTS FROM WASHINGTON THAT NIXON AIDE RICHARD ALLEN ASKED FOR A DOLS 1 MILLION CAMPAIGN CONTRIBUTION FRM GRUMMAN IN EXCHANGE FOR PUSHING E2C SALES TO JAPAN AT NIXON-TANAKA SUMMIT IN 1972. JDA MINISTER OF STATE SAKATA SAID HE WOULD INVESTIGATE THESE REPORTS. THE DENIALS OF GRUMMAN AND ALLEN WERE PRINTED AND ONLY COMMENTARY SO FAR SUGGESTS THAT JAPAN WAIT AND SEE WHAT FURTHER TESTIMONY SCHEDULED SEPTEMBER 24 WILL REVEAL. END SUMMARY.

1. ACCORDING TO AP REPORTS FRONTPAGED HERE ON SEPTEMBER 14-15, FORMER GRUMMAN INTERNATIONAL PRESIDENT THOMAS CHEATHAM TOLD CHURCH SUBCOMMITTEE ON MULTINATIONAL CORPORATIONS THAT RICHARD ALLEN, DEPUTY ASSISTANT TO PRESIDENT NIXON FOR INTERNATIONAL SALES AND DEVELOPMENT, ASKED FOR ONE MILLION DOLLARS FOR NIXON'S 1972 CAMPAIGN IN EXCHANGE FOR PRESSING SALES OF GRUMMAN'S E2C AEW PLANE AT 1972 NIXON-TANAKA SUMMIT. CHEATHAM REPORTEDLY SAID HE COULD NOT MAKE SUCH A COMMITMENT BUT ARRANGED LUNCHEON BETWEEN ALLEN AND HIGHER RANKING GRUMMAN OFFICIALS. SENATOR CHURCH REPORTEDLY CALLED THIS A "SHAKEDOWN", AND SAID SUBCOMMITTEE  
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WOULD FOLLOW UP CHEATHAM'S ALLEGATIONS, PROBABLY BY SUMMONING

ALLEN AND FORMER GRUMMAN CHAIRMAN TOLL AT ITS NEXT MEETING  
SEPTEMBER 24.

2. MEDIA ALSO REPORTED ALLEN'S REBUTTAL THAT "THE CHARGE  
IS BASELESS", AND GRUMMAN CORPORATION'S DENIAL THAT IT HAS  
CONTRIBUTED TO NIXON CAMPAIGN OR ANY OTHER POLITICAL  
CAMPAIGN. JDA MINISTER OF STATE SAKATA SAID SEPTEMBER 14 HE  
WOULD INVESTIGATE REPORTS.

3. COMMENT: WE HAVE NOT BEEN CONTACTED BY JDA OR FONMIN  
ON THIS MATTER, BUT THESE ALLEGATIONS COULD HAVE SERIOUS  
IMPACT. WHILE INVESTIGATION THUS FAR SEEMS TO LACK  
POTENTIAL FOR EXPLOSIVE IMPACT ON JAPANESE DOMESTIC POLITICS OF  
LOCKHEED SCANDAL, AFFAIR COULD CERTAINLY IMPEDE COOPERATION  
IN STANDARDIZATION AND IMPROVEMENT OF JAPANESE SECURITY FORCES,  
PARTICULARLY IN AEW AREA, WHICH IS CURRENTLY RECEIVING  
GOOD DEAL OF ATTENTION FOLLOWING INABILITY OF CURRENT SDF  
RADARS TO TRACK THE LOW ALTITUDE APPROACH OF MIG-25 CARRYING  
SOVIET DEFECTOR BELENKO.  
SHOESMITH

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## Message Attributes

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**Subject:** ALLEGATIONS OF GRUMMAN PAYOFFS TO NIXON FOR PROMOTING E2C SALES HERE SUMMARY: JAPANESE MEDIA GAVE PROMINENT SPACE TO AP  
**TAGS:** MARR, PINT, JA, US, GRUMMAN CORP, (NIXON, RICHARD M)  
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